

**AUDIT & ADMINISTRATION COMMITTEE MEETING
To Be Held via Audio Webinar Pursuant to Temporary Emergency Orders**

Members: Chairman Castellano, Legislators Gouldman & Sayegh

Monday 6:00pm June 29, 2020

The meeting was called to order via audio webinar at 6:01pm by Chairman Castellano who lead in the Pledge of Allegiance. Upon roll call Committee Members Gouldman, Sayegh & Chairman Castellano were present.

Item #3 - Approval of Minutes – May 26, 2020

The minutes were approved as submitted.

Item #4 - Update/ First Quarter Financials/ Putnam County Golf Course & Tilly Foster Farm/ General Manager Mike McCall

Chairman Castellano made a motion to table Update/ First Quarter Financials/ Putnam County Golf Course & Tilly Foster Farm/ General Manager Mike McCall; Seconded by Legislator Sayegh. All in favor.

Item #5 - Correspondence/County Auditor (Attached for Information Only)

- a. **Sales Tax Report – Duly Noted**

Chairman Castellano made a motion to waive the rules and accept the additional; Seconded by Legislator Gouldman. All in favor.

- b. **Board In Revenue Report – Duly Noted**
- c. **Transfer/Revenue Report – Duly Noted**
- d. **2020 Contingency/Sub-Contingency Report – Duly Noted**

Item #6 - Correspondence/Commissioner of Finance

- a. **Overtime/Temporary Report (Attached for Information Only) – Duly Noted**
- b. **Approval/ Budgetary Amendment 20A030/ Planning Dept./ Adjust Capital Budget (Also reviewed in Physical)**

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Sayegh. All in favor.

- c. **Approval/ Budgetary Amendment 20A031/ Highways & Facilities/ Amend 2020 CHIPS County Capital Project Budget to Equal the NYS Adopted Budget (Also reviewed in Physical)**

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

d. Approval/ Budgetary Amendment 20A032/ Adjust 2020 Budget due to Economic Effects of the COVID-19 Pandemic

Commissioner of Finance William Carlin stated this budgetary amendment is in response to the economic challenges that have resulted from the COVID-19 pandemic. He stated County Executive MaryEllen Odell sent a memorandum to County Department Heads and Elected Officials asking them to look at their budget through the end of the year and identify areas that could be cut. He stated the intention of this was to hopefully avoid more difficult decisions later on. He stated those cuts have allowed the sales tax revenue estimate to be reduced by \$2,338,000.

Chairman Castellano stated the County Departments have made some cuts to their 2020 budgets in an effort to recover from the sales tax loss that has resulted from the COVID-19 pandemic.

Legislator Albano questioned when information will be available or when numbers will be known from sales tax collected through online sales.

Commissioner Carlin stated he has not seen specifics from vendors yet, but online spending is a big part of the sales tax revenue. He stated we will receive one (1) more payment this quarter and after that he will request that information from the State. He expects the information to be available by early August. He stated we are currently in the second quarter and the numbers we have from the State are an estimate until the end of the quarter when they do a reconciled distribution.

Legislator Montgomery stated when reviewing the cuts on the spreadsheet, she was concerned to see the cuts in the Health Department, Department of Social Services, and the Sheriff's Department. She stated realizing that this request was made across the board to all departments, it must have been a difficult task for them to do. She stated she appreciates all the work that went into this. She stated many of the reductions that have come from lines such as travel or training can be used toward other services. She stated she would like to make it clear that she would never want to see cuts in staffing in the Health Department, Department of Social Services, or the Sheriff's Department. She stated road patrol does not need to be decreased, as things are pretty tense around the County. She stated people are needing more services. She commended the work done to find ways to make up for the lost revenue. She questioned what is being planned for further into the future as we see revenues continue on the downward trend.

Chairman Castellano stated at the moment, this budgetary amendment will offset some of the lost revenue. He stated hopefully things will change for the better and we will have to keep watch as we move forward. He thanked the Department Heads and Elected Officials for working to make up some of the lost revenue.

Legislator Nacerino stated we are in uncharted waters and right now, these are the challenges we are facing. She stated the reductions on the spreadsheet can be looked at during the 2021 budget process, however some are temporary measures that would need to be restored in the future. She stated the Legislature has their work cut out for them, as does every Department Head.

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

Item #7 - Approval/ Fund Transfer 20T097/ Sheriff's Dept./ Purchase Vests from Proper Account (Also reviewed in Protective)

Legislator Sayegh stated her support for this fund transfer. She stated making sure the Sheriff's Deputies have the proper safety equipment is important.

Chairman Castellano made a motion to approve Fund Transfer 20T097; Seconded by Legislator Sayegh. All in favor.

Item #8 - Approval/ Fund Transfer 20T099/ Sheriff's Dept./ Cover Expenses due to 2 Vacancies (Also reviewed in Protective & Personnel)

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

Item #9 - Approval/ Fund Transfer 20T103/ Sheriff's Dept./ Cover Overtime Expenses due to 2 Dispatcher Vacancies for May (Also reviewed in Protective & Personnel)

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Sayegh. All in favor.

Item #10 - Approval/ Refunding of Certain Outstanding Serial Bonds in an Amount not to Exceed \$3,300,000

Commissioner Carlin stated the County has used their very good bond rating to save taxpayers money by refunding. He stated in 2013 and 2015 the County saved about \$2 million. He stated this refunding is smaller, it is for the 2012 bond and the projected savings is \$76,000 over the next six (6) years. He stated although it is not as much money as previous refundings, it is certainly worth going after, especially in the current situation.

Legislator Gouldman thanked Commissioner Carlin and stated \$76,000 will be helpful moving forward in this environment.

Legislator Sayegh stated since these bonds were issued in 2012 the County's bond rating has improved even more.

Chairman Castellano stated the County's excellent bond rating that has improved over the last few years will create a savings for the County.

Legislator Albano stated these rates in the 2% range are amazing and he is proud of the County for being eligible for these rates.

Legislator Montgomery requested clarification how it is projected that \$76,000 will be saved by refunding.

Commissioner Carlin stated the projection is based on an estimate of what the bonds will be sold at. He stated page four (4) of the backup documentation shows the full amount of outstanding debt service and what it is projected to be, and the difference is \$76,000.

Legislator Montgomery stated it is noted that the debt service should decrease through the years 2020-2026 by refunding.

Commissioner Carlin stated that is correct, it will decrease over those six (6) years.

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Sayegh. All in favor.

Item #11 - Approval/ Revise Resolution #99 of 2020/ Budgetary Amendment 20A022/ Sheriff's Dept./ NYSDCJS National Criminal History Improvement Program Grant Award (Also reviewed in Protective)

Legislator Addonizio stated this grant will be covering half the cost of the Livescan equipment.

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

Item #12 - Approval/ Authorizing Filing of an Application for State Assistance from the Household Hazardous Waste State Assistance Program and Signing of the Associated State Master Grant Contract, Under the Appropriate Laws of New York State

Legislator Gouldman stated the Household Hazardous Waste program is a great way to dispose of hazardous materials in a safe way.

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

Item #13 - Update/ Commissioner of Finance Carlin/ Financial Impact of COVID-19 Pandemic

Commissioner Carlin stated taking into consideration the sales tax payments to be received shortly and with one (1) sales tax payment remaining, the County will be down about \$1.7 million. He stated even with the last payment, he expects the sales tax revenue to continue to decrease as the year progresses. He stated what is unknown is how and when sales tax revenue will bounce back and what that will mean for the budget moving forward. He stated for the 2021 budget, Departments have been asked to provide the best budget possible without reducing services, but they were told to be aware that if the economy continues to decline other changes may need to be made. He stated everyone is aware that cuts may have to be made, however they are trying as hard as possible to avoid that. He stated there are still question marks out there are including State aid. He stated the Governor is withholding payments to localities and there could be cuts between 20%-50% depending on Federal aid. He stated the Heroes Act passed but died in the Senate however there is talk of a possible fiscal stimulus to help State and local governments. He stated the more information should be released in August. He stated the COVID-19 pandemic has forced changes to be made in the 2021 budget process. He stated they have told outside agencies not to come in for budget meetings this year. He stated County Executive Odell is recommending level funding, if not worse, for outside agencies. He stated as far as the informational requirements, although the County is not requiring it, they need to have it available. He stated if any Legislators have any questions about any outside agencies, they can ask him or County Auditor Sharkey. He stated they have also told the outside agencies to be available for the Legislative Budget Meetings in October and to check with the Legislative Clerk as to how the meetings will be held. He stated also for Department Heads, they have come up with a schedule and the meetings will be held in the Legislature's conference room, which is bigger. He stated if the meetings cannot be held in person they will be held by phone.

Legislator Gouldman stated hopefully the State does not reduce local funding too much. He stated so far, the County seems to be doing okay with the efforts being made to make up for the sales tax shortfall. He stated it would be beneficial to advocate for the State to either not cut funding or only cut funding by a small amount.

Legislator Sullivan stated it is too bad that the State is looking to make significant cuts to the County, which would in turn result in cuts to services. He stated it is a shame that the residents will have to suffer because of this. He stated he is very concerned about the current fiscal position of the State. He stated the State is not hitting their targets, which is resulting in cuts.

Legislator Montgomery questioned which outside agencies are funded by the County and had their budget meetings cancelled.

Commissioner Carlin stated the outside agencies include Community Action Program (CAP), Putnam County Cornell Cooperative Extension, Putnam County Humane Society, the Libraries within Putnam County, the Putnam Arts Council, the Putnam County History

Museum, the Southeast Museum, and the Putnam County SPCA (Society for the Prevention of Cruelty to Animals).

Chairman Castellano clarified rather than having in-person meetings with these outside agencies, they are being asked to mail in their necessary information.

Commissioner Carlin stated the outside agencies have been asked to provide their latest audited or unaudited financial statement and their 990 Form.

Legislator Montgomery clarified that the hope is to have their allocations remain flat, however there is the possibility of cuts. She stated these agencies all provide essential services in times of need. She questioned if the CoveCare Center is included in the outside agencies.

Commissioner Carlin stated CoveCare is funded through the Department of Social Services budget, therefore they do not fall under the outside agencies category. He stated questions pertaining to that funding can be addressed to Commissioner Piazza.

Legislator Montgomery questioned if HomeStyle Caterers is considered an outside agency.

Commissioner Carlin stated HomeStyle Caterers are under the Putnam County Golf Course, which falls under the Highways & Facilities budget. He stated the outside agencies that receive direct funding are not-for-profit organizations.

Legislator Montgomery stated we are doing the best we can while navigating through this uncharted territory just as the State is doing. She stated laying blame on any one particular government does not serve anyone. She stated she appreciates the detail provided by Commissioner Carlin, which has given her a better understanding.

Legislator Nacerino stated we do not know what the future will bring, therefore this is all speculative at this point in time. She stated the funding received is a domino effect. She stated we value the outside agencies. She stated of course no one wants to have cuts or layoffs, but it would be unfair to say anything definitive today until we know more information.

Item #14 - Other Business

- a. Approval/ Budgetary Amendment 20A033/ Finance/ Amend 2020 MMIS Medicaid Budget/ Account for Reduced Medicaid Local Share Payment/ Savings Used to Offset Sales Tax Revenue Deficit caused by COVID-19**

Chairman Castellano made a motion to waive the rules and accept the other business; Seconded by Legislator Sayegh. All in favor.

Commissioner Carlin stated as part of the first Coronavirus Response Act, the Federal Government increased the revenue for Medicaid to 6.2%. He stated this will be about \$33,000 per week for Putnam County through the end of the State fiscal year, which ends March 31, 2021. He stated this means for this fiscal year, Putnam County will be paying \$1,232,166 less than what it would have from now through December 31, 2020. He stated with this savings, the sales tax revenue expectation was lowered. He stated the reason this was submitted as other business is because it was received after the agenda was published, however considering it now will provide a clearer picture of what the sales tax will look like.

Chairman Castellano stated this is great news.

Legislator Sayegh stated this is excellent news. She stated a request was made to the State to refund the Medicaid payments in June. She stated she is pleased this has come to fruition.

Legislator Gouldman concurred that this is great news during these difficult times.

Commissioner Carlin thanked United States Senator Charles Schumer who has advocated that these savings flow down to the counties.

Chairman Castellano made a motion to pre-file the necessary resolution; Seconded by Legislator Gouldman. All in favor.

Item #15 - Adjournment

There being no further business at 6:43pm, Chairman Castellano made a motion to adjourn; Seconded by Legislator Gouldman. All in favor.

Respectfully submitted by Administrative Assistant, Beth Green.